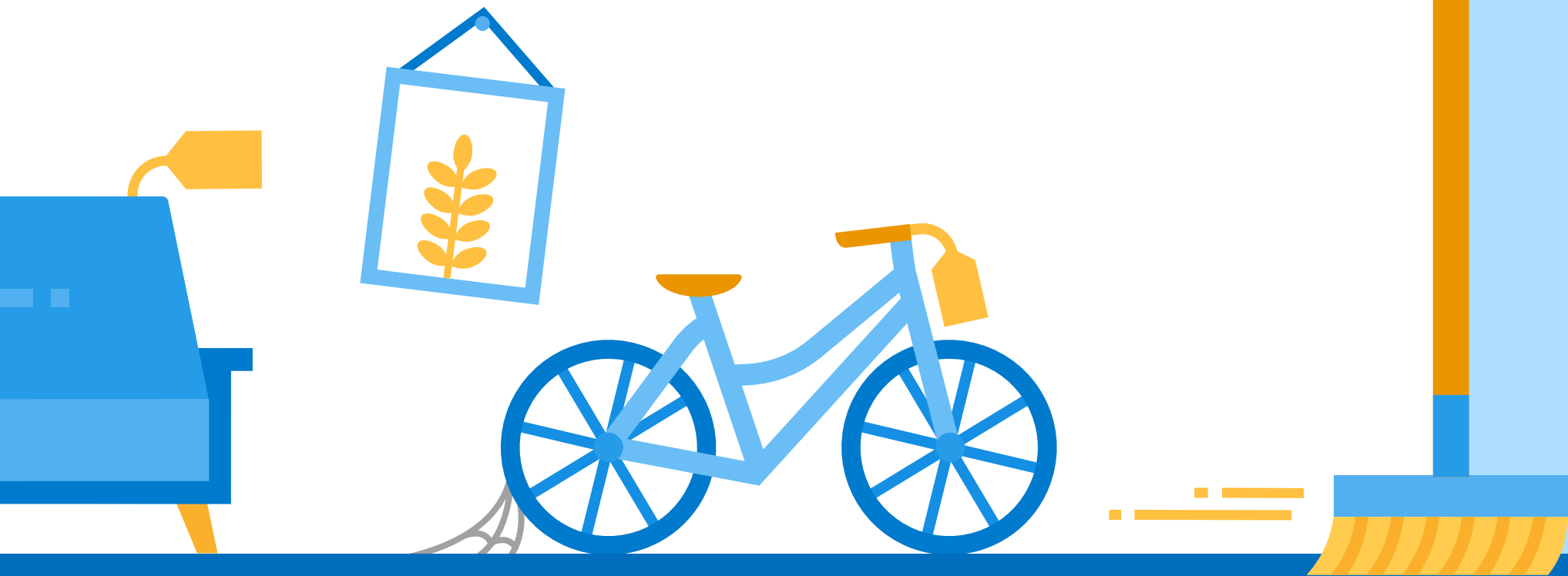


November 2020



What's lurking in your garage?

New Zealand's secondhand economy

New Zealand's secondhand economy in 2020

We're proud to release Trade Me's second annual secondhand economy report.

In 2019, we set out to explore the New Zealand secondhand economy for the first time. We wanted to know more about what motivates people throughout New Zealand to sell, what they have lurking in their garage and why they like (or dislike) buying secondhand. What we learned is that millions of Kiwis love to participate in the secondhand economy every year. They have many motivations but overwhelmingly they want to care for the environment, make money and give more items a second life in a new home.

This year, our report brings together the responses of approximately 3,600 New Zealanders to detail what New Zealand's secondhand economy looks like in 2020. It provides insights into our buying and selling habits, our attitudes towards preloved items, the impact of COVID-19, and offers some tips on how Trade Me can help Kiwi bargain hunters turn their items collecting dust, into dollars.



Lisa Stewart

Head of Marketplace at Trade Me

What is the 'secondhand economy'?

Any time a preloved item is bought, sold, swapped or given away - that all contributes to our secondhand economy.

Secondhand goods have been a fundamental part of Trade Me's DNA since we opened our virtual doors in 1999. Legend has it that our founder Sam Morgan couldn't find a secondhand heater for his chilly Wellington flat, and so began the idea of Trade Me.

Today, there are 1.2 million secondhand items on Trade Me at any one time with Kiwis from around the country wheeling and dealing to turn their trash into someone else's treasure.

Over the years we've seen new categories blossom and others fall away, but what has remained is the thrill of the chase and the love of a bargain. We regularly hear stories about the pride and joy our members get from buying that perfect item or cashing in on something they thought was worthless.

Survey methodology: This survey was conducted by Trade Me's UXR (User Experience Research) team during October 2020 and collates answers from 3,587 individual New Zealand-based respondents. Respondents were externally recruited (via Dynata) to avoid any potential Trade Me membership bias and the survey was written from a platform-agnostic perspective (not 'from Trade Me'). The survey was also sent out via a third party (Dynata).

The secondhand economy in 2020



Across New Zealand, we estimate there are **90 million secondhand items** lurking in people's homes and garages that are no longer used or needed.

Savvy Kiwis could make \$1,500 by selling their unwanted items!

Let's face it, we're all looking for an easy way to put a little extra money in our back pocket.

Every New Zealander has at least

18 used and unwanted items they could offload for cash



Based on the average selling price of items sold on Trade Me, we estimate that the average Kiwi has approximately \$1,500 worth of unwanted stuff gathering dust in their cupboards, wardrobes and garages that they could turn into dollars. That's approximately 18 used or unwanted items gathering dust that could be given a new home with someone else.

Just 14 percent of Kiwis say they don't have any unwanted items to sell.

How do New Zealanders feel about buying secondhand items?



On the whole, Kiwis like buying secondhand

73% of us 

have bought a secondhand item in the last six months

One in two New Zealanders said they feel **super proud** of their secondhand bargains, compared to just 1% who feel **very embarrassed** about not buying new.

This means Kiwis are even **prouder** of their secondhand treasures than they were in 2019 when just 22% said they were super proud of their preloved purchases.

“ I don't get why it would matter if something is new or secondhand. ”

Over 86% of Kiwis said they're at least a **little proud** of buying secondhand.

Who loves secondhand the most?

Kiwis in rural New Zealand are more positive about buying secondhand than those in our main centres. 33% of Kiwis in rural areas said they 'definitely would' buy secondhand compared to 26% of those who live in our big cities.



Northland is secondhand central

Those living in and around Northland are the strongest supporters of the secondhand economy (40% 'definitely would' buy secondhand), followed closely by Kiwis in the Wairarapa (39%) and the West Coast (39%).

Of New Zealand's main centres, Wellingtonians like to support the secondhand economy the most (with 34% saying they 'definitely would' buy used items) followed closely by Cantabrians (31%). Aucklanders, on the other hand, are the least inclined of any region to buy secondhand (23%).

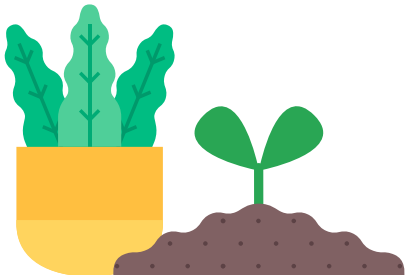


Why buy secondhand?

The primary reason Kiwis decide to buy secondhand is to save money (66% of respondents), but for many, it's about sustainability too with 46% of Kiwis saying they buy secondhand to protect the environment.

“Buying secondhand is good for our family, our budget and our planet.”

“First I try to get the item repaired, then check for secondhand items because that's more sustainable and better for the environment.”



For some, it's also about the thrill of the chase and finding something unique (11%), or supporting other Kiwis selling their preloved goods.

“I buy secondhand if I am able to save a few dollars and also because of the uniqueness of the product that some mightn't find in store at the time or ever.”

13% of Kiwis say they buy secondhand because the item they want is simply not available new.

Some objections to buying secondhand include not knowing the quality of the item or wanting an item that is covered under warranty.

Who wants what?

700,000 Kiwis visit Trade Me every day looking for all sorts of things

In the last week, we've seen 224,000 searches for clothing and 57,000 for shoes. Many New Zealanders were also on the hunt for a new desk (40,000 searches), TV (41,000) and a couch (56,000).

With warmer weather on the horizon, outdoor furniture, bikes, kayaks and BBQs are also among the most searched for items onsite right now.

This means it's a great time to look around the house and list your unwanted items that are gathering dust.



Where is this happening?



Kiwis agree, the number one place to find secondhand treasures is still Trade Me.

Whether you live in the regions or in our main urban centres, New Zealanders are more likely to buy secondhand treasures from Trade Me than anywhere else. Op shops came in second place, followed by Facebook, then friends or family.



How many secondhand items are being sold?



50%

of Kiwis

have sold something secondhand in the last six months

Of this group, 32% have sold one or two things while 17% have sold more than ten items.



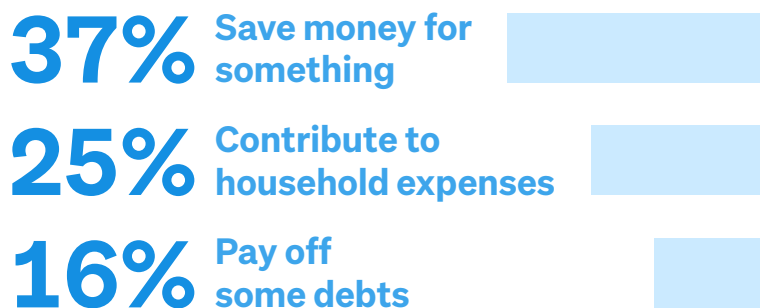
Reasons for and against selling stuff



Money, money, money

One of the biggest reasons New Zealanders offload their preloved items is to make money.

37% say they sell their secondhand items to save money for something, 25% do it to contribute to household expenses, while 16% are selling their preloved goods to pay off some debts.



We're tidy Kiwis

There are also those of us who do it to declutter with 69% of respondents claiming that they sell stuff to make space. For others, it's about trying to prevent stuff from going to landfill (39%).



We're kind Kiwis

54% of Kiwis offload their preloved stuff because they want to let someone else enjoy their unwanted item.

When it comes to what's holding us back, 18% of respondents said the main reason they haven't sold their unwanted stuff was because it seems too hard or time consuming, while 25% reckon their stuff isn't worth anything.

The impact of COVID-19

COVID-19 has had an enormous effect on the New Zealand economy which is likely to be felt for many years to come.

After the nationwide lockdown and Auckland's subsequent Level 3 restrictions we saw marked increases in the number of secondhand goods sold onsite.

We think the time New Zealanders spent indoors during the lockdowns gave them the chance to clean up the garage, sort through that pile of old clothes that don't fit anymore or finally tidy up some cupboards. It was also a great time for people to discover just what their house was lacking - what they needed which could be filled by the secondhand economy.

43% of people think that the effects of COVID-19 are likely to cause the secondhand economy in New Zealand to grow.

We'll be watching closely to see how COVID-19 shapes New Zealanders' spending in the coming months and years. With the country in recession we expect to see more Kiwis bargain hunting and looking for secondhand alternatives with many households reassessing their budgets.



We're backing local

The impact of COVID-19 on business has been widely publicised and led to a huge push around the country to support local businesses. Our survey showed that the team of five million love to support one another with nearly 50% of people saying they were more likely to buy from New Zealand based businesses than before. After the year we've had, it came as no surprise that Kiwis are doing their bit to help out local businesses.

48% of Kiwis say they are buying more from New Zealand-owned companies since COVID-19

Trade Me and the secondhand economy

We have loved the part we're played in the secondhand economy over the last 21 years and from what New Zealand has told us, this is just the beginning.

Our mission is to offer a safe and trusted online marketplace where Kiwis can find everything from that unique piece of furniture that completes their home, to the right screw to fix their washing machine.

As we look to the future, we know we need to keep pace with the changing needs and desires of Kiwis, and we're always trying to find new ways to make buying and selling easier.



Introducing 'Make an offer'

We know Kiwis want their items sold, fast. That's why we've launched a new feature that allows buyers to make an offer on Marketplace listings.

'Make an offer' is a new feature which casual sellers can add to their listing. When turned on, prospective buyers can make the seller an offer for their item and that offer is valid for 24 hours. The seller can then choose to accept or decline.

'Make an offer' is available in our yellow app on both iOS and Android.



Conclusion

The secondhand economy is alive and well in New Zealand.

Kiwis are prouder of their secondhand buys than ever before.

As New Zealand recovers from a very unpredictable year, it's clear that more Kiwis will be turning dust into dollars and giving their preloved items a new life.

With climate change becoming top of mind for more New Zealanders, we expect trading secondhand goods is going to become even more popular in the coming years - keeping perfectly functional items out of landfills and in the hands of people who want or need them.